

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)	
In re:)	Chapter 11
)	
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	Case No. 22-10964 (MG)
)	
Debtors.)	(Jointly Administered)
)	

**SIXTH DECLARATION OF GREGORY F. PESCE IN SUPPORT OF THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS' APPLICATION FOR ENTRY OF AN
ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF WHITE &
CASE LLP AS COUNSEL EFFECTIVE AS OF JULY 29, 2022**

I, Gregory F. Pesce, pursuant to 28 U.S.C. § 1746, hereby declare that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a partner of the firm of White & Case LLP ("**White & Case**" or the "**Firm**"), an international law firm, which maintains offices for the practice of law at, among other locations, 111 South Wacker Drive, Suite 5100, Chicago, Illinois 60606. Among other admissions, I am a member in good standing of the Bar of the State of Illinois and I have been admitted to practice in Illinois. I have been admitted *pro hac vice* in connection with the above-captioned cases. There are no disciplinary proceedings pending against me in any jurisdiction.

2. I submit this sixth declaration (the "**Sixth Declaration**") pursuant to sections 328(a) and 1103 of title 11 of the United States Code (the "**Bankruptcy Code**"), Rule 2014(a) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rules 2014-1, 2016-1 and Rule 9013-1 of the Local Rules for the United States Bankruptcy Court for the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 USA LLC (9450); GK8 Ltd. (1209); and GK8 UK Limited (0893). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

Southern District of New York (the “**Local Rules**”) in support of the *Official Committee of Unsecured Creditors’ Application for Entry of an Order Authorizing the Employment and Retention of White & Case LLP as Counsel Effective as of July 29, 2022* [Docket No. 603] (the “**Application**”) for the Official Committee of Unsecured Creditors (the “**Committee**”).² My first declaration was submitted as Exhibit B to the Application (the “**First Declaration**”). My second declaration was filed on September 14, 2022 [Docket No. 814] (the “**Second Declaration**”). My third declaration was filed on October 27, 2022 [Docket No. 1215] (the “**Third Declaration**”). My fourth declaration was filed on December 16, 2022 [Docket No. 1727] (the “**Fourth Declaration**”). My fifth declaration was filed on February 17, 2022 [Docket No. 2100] (the “**Fifth Declaration**”) (collectively, the “**Prior Declarations**”).

3. On September 15, 2022, the Court entered the *Order Authorizing the Employment and Retention of White & Case LLP as Counsel Effective as of July 29, 2022* [Docket No. 829] (the “**Retention Order**”).

4. To the extent that White & Case determines that any information disclosed herein requires amendment or modification upon White & Case’s completion of further analysis or as additional information becomes available to it, a supplemental declaration will be submitted to the Court reflecting same. Except as otherwise noted, I have personal knowledge of the matters set forth herein.³

5. As noted in the Prior Declarations, White & Case has reviewed and will continue to review its files periodically during these chapter 11 cases with respect to known and newly-identified parties in interest. If any new relevant facts or relationship are discovered or arise, White

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

³ Certain of the disclosures herein relate to matters within the knowledge of attorneys or employees of White & Case and are based on information provided by them.

& Case will use reasonable efforts to identify such developments and will promptly file a supplemental declaration.

Supplemental Disclosure Regarding Potential Parties in Interest

6. As I stated in the Prior Declarations, W&C has followed the procedure set forth in my First Declaration in order to conduct a disclosure review with respect to the Firm's connections to potential parties in interest. Since the filing of the Prior Declarations, W&C has updated that disclosure review with respect to additional potential parties in interest in these chapter 11 cases of whom W&C has become aware. In addition to the entities searched and disclosed in the Prior Declarations, W&C has conducted a disclosure review with respect to the Firm's connections to the parties identified on **Schedule 1** annexed hereto (the "**Supplemental Parties in Interest**"). **Schedule 2** annexed hereto identifies that White & Case currently represents, or has represented within the last two (2) years, certain individuals, entities or their affiliates who are Potential Parties in Interest in matters unrelated to the Debtors, the chapter 11 cases, or such entities' claims against and interests in the Debtors.⁴

7. Of the entities listed on Schedule 2, none represented more than 1% of White & Case's revenue for the twelve-month period through January 31, 2023.

8. Of the Supplemental Parties in Interest, certain of the entities are potential

⁴ The term "client" means an entity listed as a client or affiliate of a client in an active or closed matter in White & Case's conflicts search system. To the extent that a Potential Party in Interest falls under more than one category, such Potential Party in Interest may be disclosed below in only one category. Furthermore, the inclusion of a Potential Party in Interest within one or more categories in the Application, this Declaration, or otherwise is for convenience only and is not, and shall not be construed as, an acknowledgement or admission regarding any Potential Party in Interest, including with respect to any claims or relationships that such Potential Party in Interest may have with the Debtors. The disclosures may in Schedule 2 attached hereto may overlap or be redundant with disclosures previously made by White & Case. Additionally, (i) Schedule 2 is over inclusive generally, (ii) whether an actual client relationship exists with the entities listed on Schedule 2 can only be determined by reference to the documents governing White & Case's representation rather than its potential listing in White & Case's conflicts database(s), (iii) such analysis has not been undertaken in connection with this connections disclosure, and (iv) where particular name(s) provided by the Debtors are incomplete or ambiguous, White & Case's search was broad and inclusive and erred on the side of disclosure.

counterparties that are in confidential discussions with the Debtors (and, by extension, the Committee) regarding potential sale and/or financing transactions related to the Debtors and their business. While I do not think that such entities solely in their capacity as a potential counterparty qualifies them as a party in interest for purposes of the Firm's connections disclosure obligations, in an abundance of caution, such entities have been included as part of the Firm's disclosure review. Further, consistent with this Court's prior orders, this Declaration maintains the confidentiality of the identity of such entities.⁵

Lender Group to TeraWulf

9. White & Case represents Jefferies Leveraged Credit Products, Livello Capital Management, Mariner Investment Group, Owl Creek Asset Management, Paloma Partners, P. Schonfeld Asset Management, and Summit House Capital Management as lenders (collectively, the "**Lender Group**") under a term loan facility (the "**TeraWulf Loan Facility**") with TeraWulf Inc. and certain of its subsidiaries (collectively, "**TeraWulf**" and such engagement, the "**TeraWulf Engagement**").⁶ NovaWulf Digital Management, L.P. ("**NovaWulf**"), the Debtors' proposed plan sponsor, is a TeraWulf affiliate and a lender under the TeraWulf Loan Facility. However, NovaWulf is not a member of the Lender Group. Furthermore, Paul, Weiss, Rifkind, Wharton & Garrison LLP represented TeraWulf in connection with the TeraWulf Loan Facility and certain other matters. White & Case has never represented as clients NovaWulf, TeraWulf, or any of their respective officers or directors in their capacities as such in connection

⁵ *Order Authorizing the Debtors to File Under Seal the Names of Certain Confidential Parties in Interest Related to the Debtors' Potential Sale of Certain Assets* [Docket No. 697]; *Order (I) Authorizing All Parties To Redact and File Under Seal the Names of Certain Confidential Parties in Interest Related to the Potential Sale of Certain or Substantially All of The Debtors' Assets and the Potential Procurement of Debtor-in-Possession Financing and (II) Granting Related Relief* [Docket No. 1431]

⁶ NovaWulf co-founder and managing partner Jason New is a director of TeraWulf; NovaWulf co-founder Nazar Khan is a TeraWulf co-founder and its Chief Operating Officer and Chief Technology Officer; and NovaWulf co-founder Paul Prager is a TeraWulf co-founder and its Chairman and Chief Executive Officer.

with the TeraWulf Loan Facility or otherwise. White & Case will not represent NovaWulf, TeraWulf, or their officers and directors in their capacities as such during the pendency of these chapter 11 cases. To date, White & Case has been paid approximately \$1.20 million by TeraWulf, on account of fees incurred representing the Lender Group, with another approximately \$240,000 owed, but unpaid, in connection with the TeraWulf Engagement.

10. White & Case will not represent any entity, other than the Committee, in connection with these chapter 11 cases. Based on the foregoing, I do not believe that White & Case's representation of the Lender Group precludes White & Case from meeting the standard for retention as the Committee's counsel under the Bankruptcy Code.

Genesis Global Holdco, LLC

11. White & Case has been selected by the Official Committee of Unsecured Creditors (the "**Genesis Committee**") of Genesis Global Holdco, LLC and its debtor affiliates (the "**Genesis Debtors**") in the cases styled as *In re Genesis Global Holdco, LLC*, Case No. 23-10063 (SHL) (Bankr. S.D.N.Y.) as its proposed counsel. The Committee is not aware of any connections at this time between the Debtors and the Genesis Debtors sufficiently material to warrant the Committee's involvement nor has it been necessary for White & Case to address any potential connections between the Debtors and the Genesis Debtors. White & Case has not represented, and will not represent, the Genesis Committee in connection with the Debtors' chapter 11 cases. The Committee plans to engage separate counsel to the extent any matters involving the Genesis Debtors arise during the Debtors' chapter 11 cases. Furthermore, the Genesis Committee plans to engage separate counsel to the extent that any matters involving the Debtors during the pendency of the Debtors' chapter 11 cases. Based on the foregoing, I do not believe that White & Case's representation of the Genesis Committee precludes White & Case from meeting the standard for

retention as the Committee's counsel under the Bankruptcy Code.

Reaffirmation of Statement of Disinterestedness

12. Based on the foregoing, to the best of my knowledge and insofar as I have been able to ascertain, (a) White & Case is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, (b) White & Case holds no interest adverse under section 1103(b) of the Bankruptcy Code, and (c) White & Case has no connection to the Debtors, their creditors, or other parties in interest, except as may be disclosed in the Application, the Prior Declarations, or this Sixth Declaration. Accordingly, I respectfully submit that the requirements for White & Case's retention as attorneys for the Committee have been met.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: February 24, 2023
Chicago, Illinois

/s/ Gregory F. Pesce
Gregory F. Pesce
Partner, White & Case LLP

Schedule 1

Supplemental Parties in Interest

Bankruptcy Examiner and Professionals

Huron Consulting Services LLC

Bankruptcy Professionals - Other

Houlihan Lokey

Contract Counter-Parties

2nd Market

Bank Hapoalim

Bits of Gold LTD

Blockdaemon Inc.

DV Chain, LLC

eToro Ltd.

Explorium Ltd.

Guberman Consulting

Hamilton's Reserve Inc.

Ibrahim, Daniel

IOTA Stiftung (IOTA Foundation)

Kirobo Ltd.

Maven Digital Ltd

Niki GA Management and Maintenance Ltd

Noet Aviv Ltd

Oobit Technologies Pte. Ltd

Prosegur Crypto

Prosegur Custodia De Activos Digitales S.L.U.

ProxiBit

Reblonde Public Relations

Simon, Elie

SolidBlock Inc

Tezos Foundation

Tromer, Eran

Vast Bank, National Association

ZoomInfo Technologies

Director/Officer

Mayerfeld, Mark

Schreiber, Adam

Fee Examiner and Professionals

Delaware ADR, LLC

Godfrey & Kahn, S.C.

Sontchi, Christopher S.

GK8 Top 20 Vendors

10Bis

Daniel Ibrahim

Elie Simon

Eran Tromer

G. E. Ehrlich (1995) LTD.

Israel Innovation Authority

Kost Forer Gabbay & Kasierer

Michael Cimo

Movilei Hovalot

Neot Aviv

Shufersal

Techen
Tel Aviv Municipality
Xtra Mile Ltd
Yehuda Sharfi
YHM Technology LTD

Institutional Customers

Fractal

Insurance

Evertas Insurance Agency LLC
Menora Mivtachim Group
USI Insurance Services, LLC

Notice of Appearance / Pro Hac Vice

Attorney For State Of Wisconsin Department Of Financial Institutions
Bernstein-Burkley P.C.
Degirolamo, Anthony J.
Dickinson Wright PLLC
Jones Day
Maine Office of Securities
Missouri Securities Division
National Association Of Attorneys General
North Dakota Securities Department
Office Of The Attorney General Of Washington
Steege, Catherine L.
The Law Offices Of T. Scott Leo PC
Wisconsin Attorney General's Office
Wisconsin Department of Financial Institutions

Potential Bidding Party

[REDACTED]

Figure
Galaxy Digital Trading LLC

[REDACTED]

Potential Bidding Party - [REDACTED]

[REDACTED]

[REDACTED]

Potential Bidding Party - [REDACTED]

[REDACTED]

[REDACTED]

Novawulf

[REDACTED]

Potential Bidding Party - [REDACTED]

[REDACTED]

Retail Customers

Garner, Phillip Wayne Jr
Ziglu Ltd.

Taxing Authority/Governmental/Regulatory Agencies

Letitia James, Attorney General of the State of New York

Top 50 Unsecured Creditors

Crypto10 SP - Segregated Portfolio of Invictus Capital Financial Technologies SPC

Vendors

A. Kfir holdings
Adam Milo
Adobe products
Altsholer benefits
Anat Raziell
Andromeda
Anna Pitzman
Ascential Events (Europe) Limited
Asha Gabai
Asher Harel
Asher Hersgkowitz
Avishar

Aviv Reut
Avner Mor
Bari Catz
Bernard Kulysz
Blockfrost.io
BuyMe
Cellcom
Central Park
Chamber of Commerce Tel Aviv
Cleargate
CTI Solutions
Cyberforce Global Limited
Dalia Mintz
Dana Lev
Decode
Diesenhaus
DLC Distributed Ledger Consulting GmbH
Doit
Dor-aviv.
E.C electricity
Eitan Shopen
EMET
Eran Tromer
Etherscan
Evan Ferrante
Evertas - USI Insurance Services
Finnegan Henderson Farabow Garrett Dunner LLP
Frankfurt School
Gorfriends
Grammerly
Hagal Hayarok
Haim Levy
Hanoach medical service
Herman systems
Hot Mobile
Howden Insurance Brokers Limited
HR Marketing
Invoice Maven
Israeli Innovation Authority
Issaschar brothers
Jack Villacis
Jobinfo
Jumbo stock
Kasafot Magen
KINOLIFE LLC
kuperpan
Leadmetrix
Lermont Ltd.
Levy Cohen
Mei Avivim
Michael Cimo (Statera Bellus)
Mitugon
Moya
Nachmias Grinberg
Namlessplace
Natan Zecharia

Nespresso
Niki-nikayon
Nisha
Noam Rozenthal
Patentic
Patrner
Pesach Zilberman
Praktal computers
Reblonde
Securelogic Ltd.
SFDC Ireland Limited
Shani solutions
Shekel Ofek
Sherfi Yehuda, construction
Shimrit
Shlomo Kezas
Shloofta
Slack
Softsale
Somech Hikin
Sponja cleaning
Stot and May
Superpharm
Switchup
TDSD Ltd.
Team Netcon
Tel Aviv city tax
The Block Crypto
Timeclock 365
Tomer Zusman
USA Strong Inc
Value financial services
World travel
WP Engine Inc.
Yaniv Taieb
Yeshayaho Blumfeld
YHM Technologies
Yigal Arnon
Zeplin Unc.
ZoomInfo

Schedule 2

[illegible]

Potential Bidding Party				Open
Potential Bidding Party				Open
Potential Bidding Party				Open
Potential Bidding Party				Open
Potential Bidding Party				Open
Potential Bidding Party				Open
Potential Bidding Party				Closed
Potential Bidding Party				Open
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Potential Bidding Party				Open
Potential Bidding Party				Open
Potential Bidding Party				Open
Potential Bidding Party				Open
Potential Bidding Party				Open
Vendors			Andromeda	Closed
Vendors			Slack	Open
Vendors			World travel	Open